

2005 Integrated Energy Policy Report

Integrated Energy Policy Report Committee:

Commissioner John L. Geesman, Presiding Member
Commissioner James D. Boyd, Associate Member

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Agenda

September 29, 2005

- Overview of *Energy Report* proceeding
- Overview of *Draft Energy Report* chapter:
 - Ch. 2 Transportation Fuels
- Receive comments on this chapter
- Written comments are due:

October 14, 2005



2005 Energy Report

Hearing Schedule

September 23, 9 a.m.	<i>Draft Strategic Transmission Plan</i>
September 27, 1 p.m.	<i>Water/ Energy, Global Climate Change, and Border Energy</i>
September 29, 1 p.m.	Transportation Fuels
October 6, 9 a.m.	Demand-side Resources, Distributed Generation, Renewable Resources, and other Electricity Resources (Clean Coal and Nuclear)
October 7, 9 a.m.	Electricity Needs & Procurement Policies, and Transmission
October 7, 1 p.m.	Natural Gas



2005 Energy Report Schedule

- October 14: Written comments due
- Early November: Publish the Final Committee *Energy Report*,
Transmission Strategic Plan, and *Transmittal Report*
- November 16: Energy Commission Business Meeting to
consider adoption of the *2005 Energy Report*,
Transmission Strategic Plan, and
Transmittal Report
- Early December: Deliver report to Governor and Legislature



Energy Report Process

Public Resources Code 25300 et seq.

Integrated policy development

- **Policy recommendations will be made based on an in depth and integrated analysis of energy issues facing the state. (Pub. Res. Code 25302(b))**

Common information base for energy agencies

- **The state's energy agencies will use the information and analyses contained in the report to carry out their energy-related duties. (Pub. Res. Code 25302(f))**

Timing

- **A policy report that includes an in depth assessment and forecasts of all energy sectors will be adopted by the Energy Commission every two years, and a supplement to the previous energy report on specific issues will be adopted in the off years.**



2005 Energy Report Proceeding

- Collaboration with federal, state and local agencies
- 50+ Committee hearings and workshops
- 25,000+ pages of docketed materials
- More than 50 staff and consultant papers and reports
- Three Draft Committee Reports
 - ❖ ***2005 Energy Report***
 - ❖ ***Strategic Transmission Investment Plan***
 - ❖ ***Transmittal Report to CPUC (coming soon)***



Draft Energy Report Transportation Fuels

Demand for Gasoline and Diesel Fuel

- Californians consume about 43 million gallons of gasoline and 8 million gallons of diesel fuel per day
- The state's demand for transportation fuels has increased 48 percent over the last 20 years
- If the state takes no further action to reduce its dependence on petroleum, the Energy Commission projects that demand for gasoline in California will reach 48.6 to 52.1 million gallons per day by 2025
- For diesel, the projection ranges from 13.6 to 13.8 million gallons per day



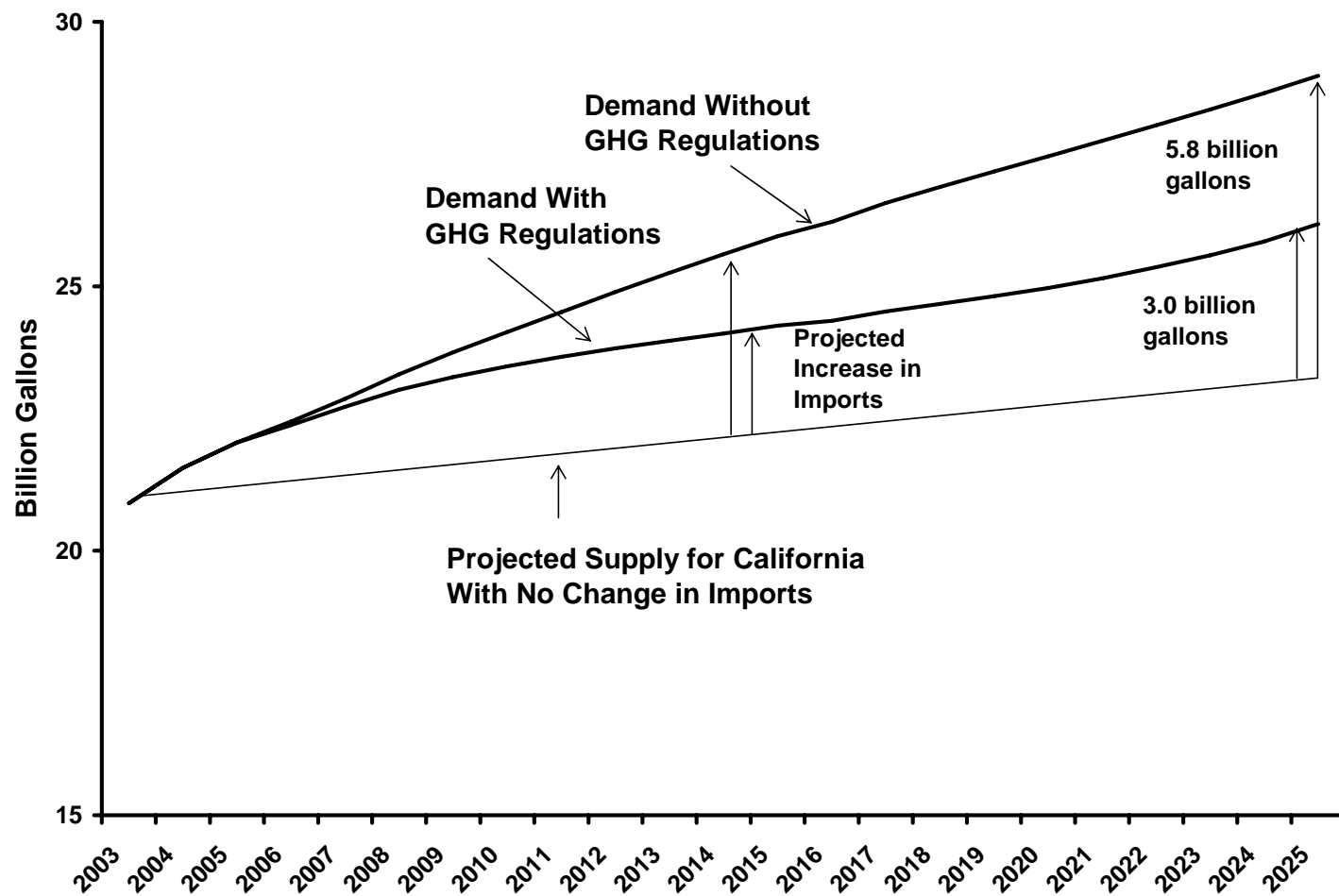
Draft Energy Report Transportation Fuels

The Energy Commission remains concerned about the relationship between retail price spikes and weaknesses in the state's petroleum infrastructure, including:

- **the growing gap between in-state refining and demand in California and the region**
- **limited storage capacity for crude oil and refined products**
- **increasing local pressure on import facilities at Southern California ports**



Projected Gasoline and Diesel Supply and Demand in California



Draft Energy Report Transportation Fuels

- CARB adopted regulations limiting GHG emissions from light-duty vehicles beginning in 2009
- Added benefit of the new regulations – vehicles will be 30 percent more efficient when fully implemented
- CAFE was not addressed in the federal energy act and only minimally in proposed CAFE revisions
- Non-petroleum fuels are only 6 percent of supply
- State needs to implement comprehensive programs to diversify fuel supply by addressing air quality, cost and availability issues of non-petroleum fuels



Draft Energy Report Transportation Fuels

Governor Schwarzenegger directed the Energy Commission to take the lead in crafting a workable long-term transportation fuels plan that will

- **result in the significant reduction of gasoline and diesel use**
- **increase the use of alternative fuels**
- **Establish a set of realistic, achievable objectives with identifiable and measurable milestones**

This long-term plan is due on March 31, 2006



Draft Energy Report Transportation Fuels

The plan will need to include ways to:

- **Diversify the state's transportation fuels**
- **Increase vehicle efficiency**
- **Reduce demand through pricing options**
- **Reduce demand through integrated land use planning**



Draft Energy Report Transportation Fuels

Key Recommendations

Fuels

- Renewable Fuel Standard for gasoline and diesel fuels
- Alternative fuel procurement requirement for state fleets
- Expand the use of E-85
- Expand IOU role in electric vehicle charging and natural gas fueling infrastructure

Technology

- “CAFE standard” for state fleets
- Hybrid-electric and plug-in hybrid-electric vehicles
- Diesel idling reduction
- Broad-based RD&D program

Planning

- Integrate land use and transportation demand planning

Funding for comprehensive transportation program

- Public Goods Charge
- Bond funding for low-interest loans



2005 Energy Report Hearing

September 29, 2005

To call and participate
in today's meeting,
please call:

888-790-1711

Passcode: **HEARING**

Call Leader: **Kevin Kennedy**

Written comments due October 14

